

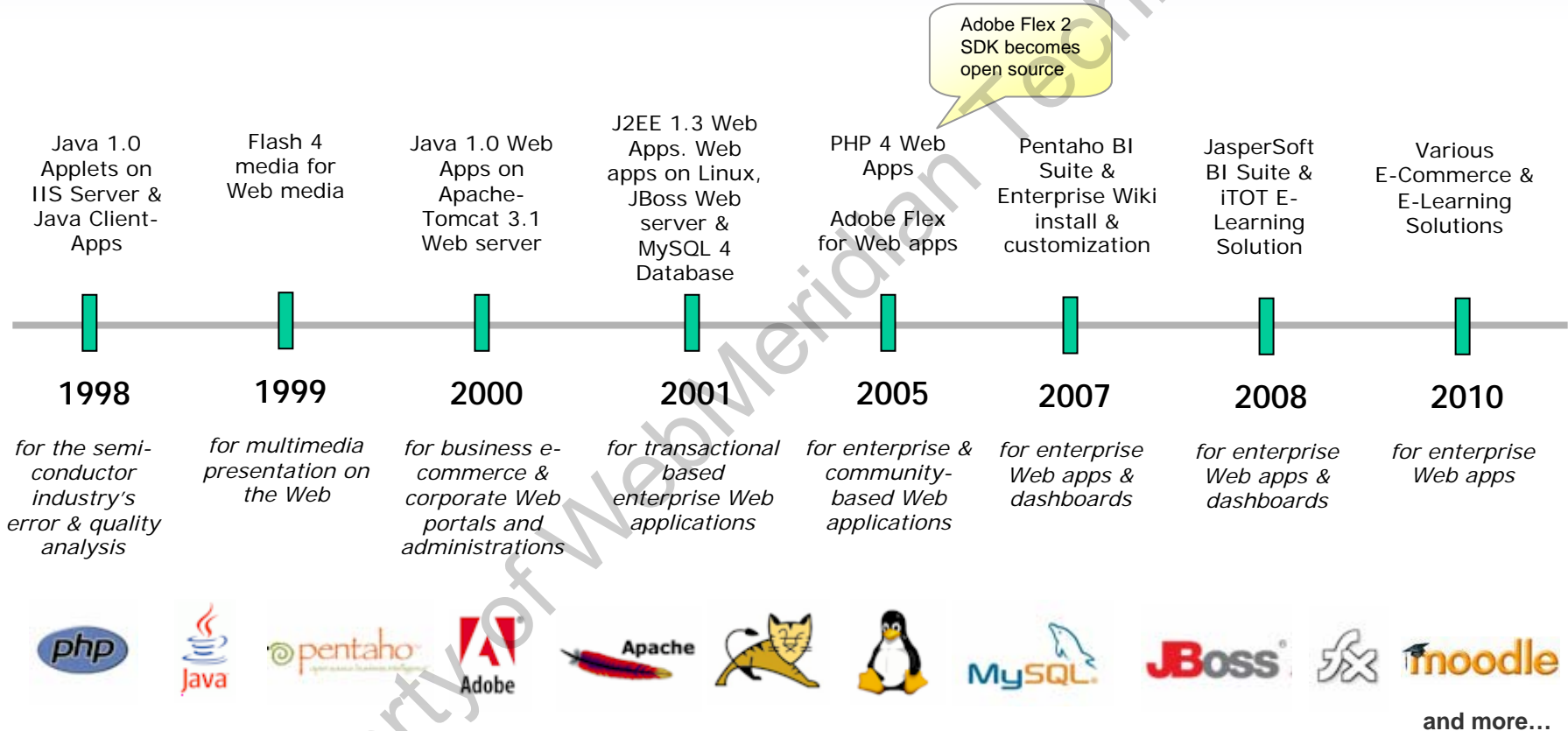


Best Practices In Enterprise OSS (EOSS) Procurement

MICG Procurement Conference 2010

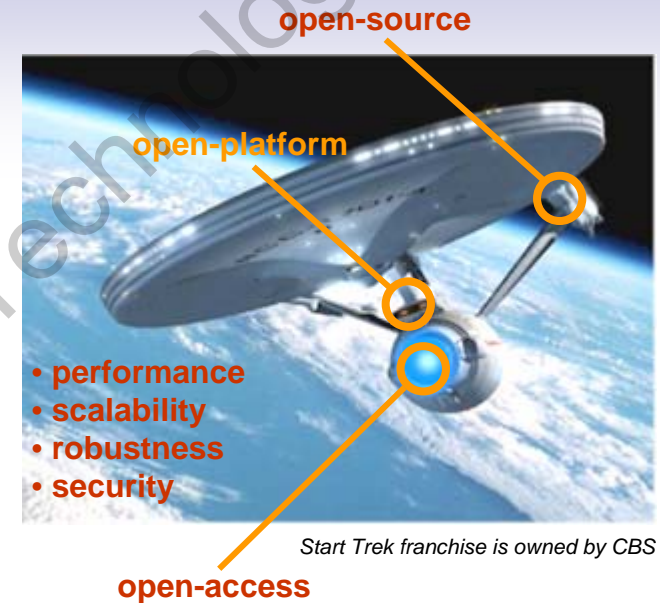


A decade worth of experience working with acclaimed open-source web technologies!



What is EOSS ... versus OSS?

“Enterprise level software is software which provides business logic support functionality for an enterprise, typically in commercial and government organizations, which aims to improve the enterprise's productivity and efficiency. *[It offers the characteristics of better] performance, scalability, and robustness, [especially across a large user community].* Enterprise software typically has interfaces to other enterprise software and is centrally managed.” (Wikipedia)



OS Desktop



OS Enterprise



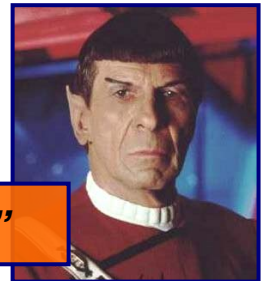
What is happening in the various government circles?

- More than 15% of the servers deployed by the US government use Linux. This number will increase significantly as President Obama's administration is belt-tightening. The whitehouse.gov site is recently moved to Drupal. ("An Open-Source Presidency", Forbes, Mar 2009)
- Vietnamese government is setting an ambitious target of 100% open source adoption within its agencies by end of 2010. "The best way to develop a local software economy is to keep the software local, rather than shipping [Dong] to the United States." ("The Open Road" by Matt Asay, Jan 2009)
- Government of Jordan is planning to increase the use of open source software starting with the university system in Jordan. Students will have an opportunity to learn and work on open source projects to become the future technology workers. ("Open Source Adoption in Worldwide Governments" by Dawn Foster, Jan 2010)

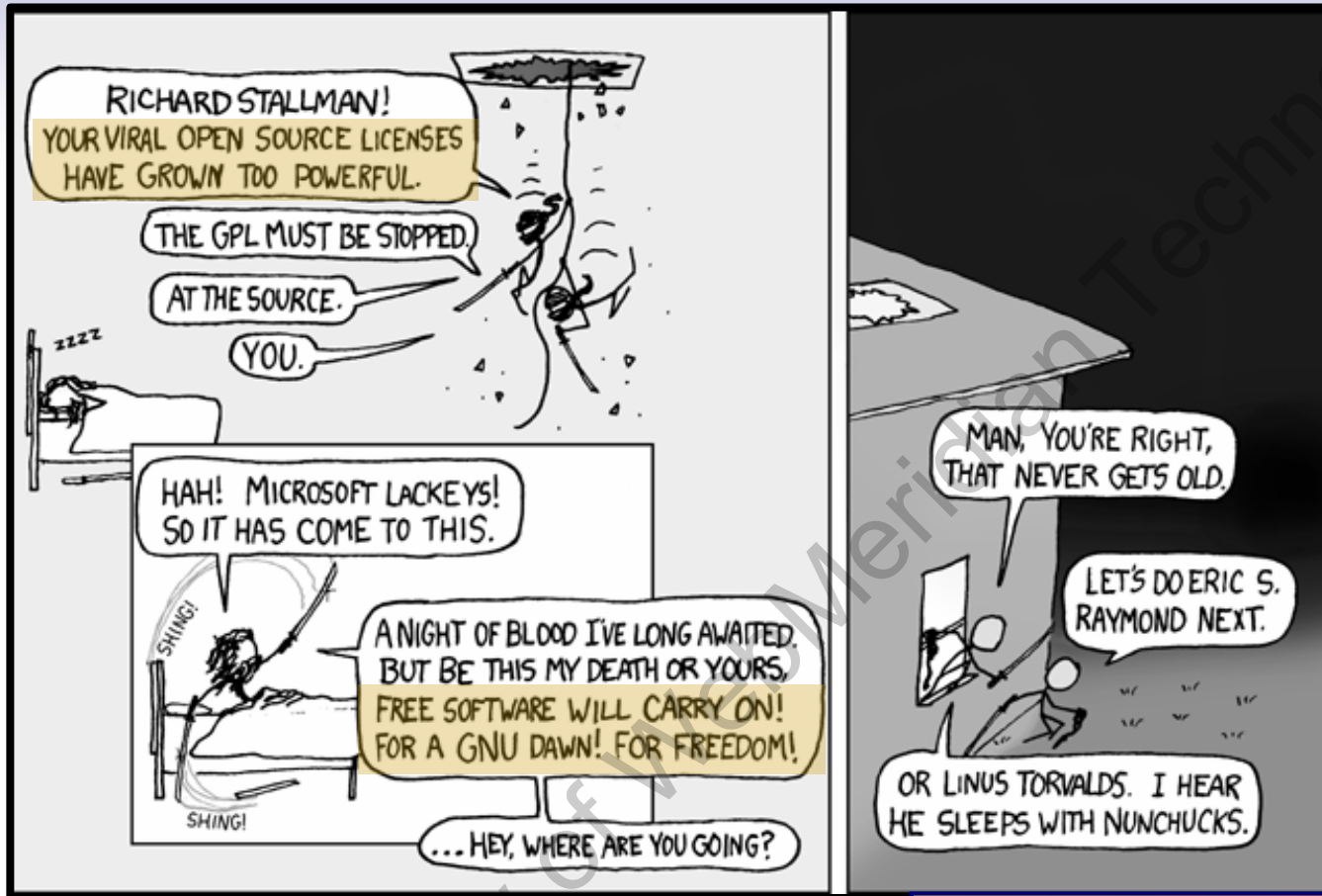
OSS Forbidden

Proprietary Software
Not Anymore

"Seems logical to me captain."



Web Comic on Open-Source Movement



Source: XKCD Webcomic – Creative Common License, Free to Share and Distribute

“Against all odds, OSS is here to stay!”

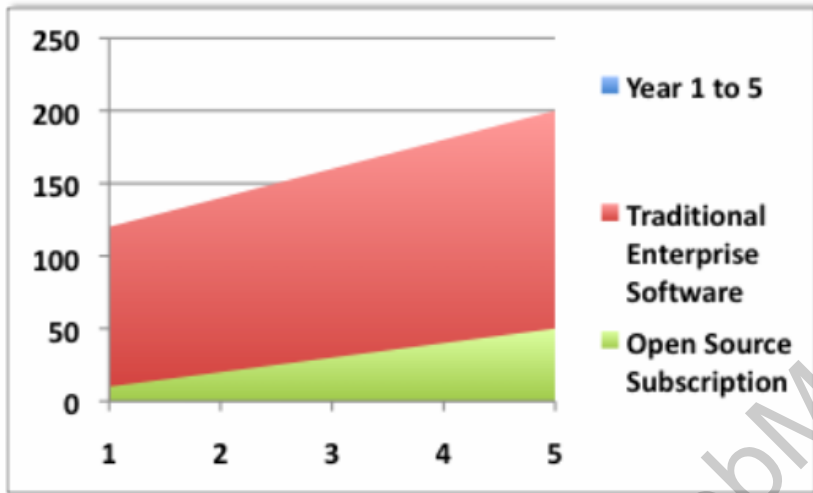
Big Content condemns foreign governments that endorse FOSS

By Ryan Paul | Last updated February 25, 2010 11:13 AM

Costs Comparison: EOSS versus Proprietary

IT is an organization's greatest asset... *invest wisely*

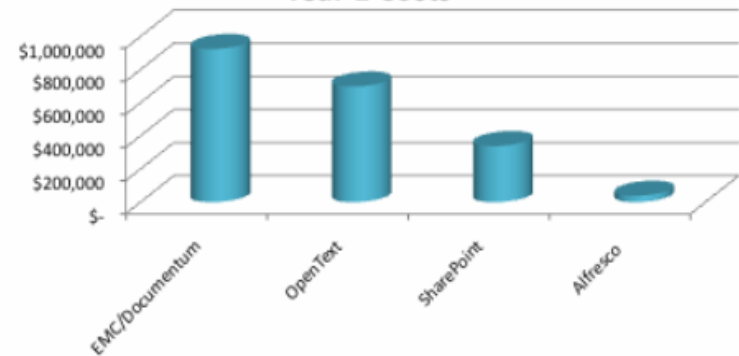
Cumulative Cost



The costs are "total cumulative" TCO that include server OS, database software and licenses required by the respective OEM to run their software.

The TCO to run Alfresco (one of the many EOSS) stated here includes paying license for Linux Red Hat and MySQL database. The TCO will even be lower if decided using their community edition.

1000 User Enterprise Configuration Comparative Year 1 Costs



Source: Provided by Alfresco

IT is an organization's greatest asset... *inve\$t wi\$ely*

- Proprietary solutions are no longer adequate
*To some hyper competitive, dynamic and innovative organizations.
Organizations that offer services to large user community.*

#1

- Reduce ever growing licensing costs
Such costs are no longer justifiable for the long-haul... and in a competitive and weak economy



- Costly to build in-house from scratch, even if using PHP/Java
Costly and time-consuming, perhaps try to build on the available EOSS

- Stay competitive by quickly gaining new capabilities
EOSS offers a variety of features, allows just-in-time customization and faster time to market

- Share risks with the community
A million brains are better than a hundred brains

- Minimizes complex proprietary software procurement rules and procedures

EOSS can often offer the middle-path!

Nothing is Absolutely Free!



“Just because something is free, doesn't mean that it has no cost.”
said Laurie Wurster, research director at Gartner.

“Companies [or governments] must have a policy for procuring OSS, deciding which applications will be supported by OSS, and identifying the intellectual property risk or supportability risk associated with using OSS. Once a policy is in place, then there must be a governance process to enforce it.”



Adoption	OSS Adoption should be based on the least disruptive and fit for purpose implementation.
Procurement	OSS procurement should be based on merits, value for money, transparency, security and interoperability, as well as in accordance with the Government procurement policies and procedures.
Ownership	OSS ownership should include software licensing that allows rights to use and modify the software. Licensing for software developed within the public sector should be compatible with GPL license , BSD license or a formulated GOM license based on suitability.
Technology	OSS technology to be used in the public sector shall comply to worldwide open standards. The technology acquired should be able to be supported by any other party to ensure continuity support.
Implementation	OSS implementation should be based on the guidelines specified in the Malaysian Public Sector OSS Technical Implementation Plan. The implementation should leverage on the shared knowledge in the Knowledge Bank and with minimal impact to the day-to-day business operations.
Knowledge Sharing	Agencies implementing OSS must register their initiatives in the Knowledge Bank. The Knowledge Bank shall serve as a platform for sharing knowledge and experience.
Education	OSS education should be introduced through structured programmes in school IT labs for primary, secondary and tertiary education levels.
Training	Agencies must be committed in educating and re-skilling its personnel to ensure their competency in OSS

Source: OSCC-MAMPU web site

What Are the Many EOSS Flavors?

EOSS today are as many as the foams in the ocean... *choose wisely*

- **Community edition**

Yes, it is free! Read the licenses, labels and beware of bugs.

(<http://www.opensource.org/licenses>)

- **Commercial edition (read James Dixon's Bee Keeper model)**

Flavorful "honey" for a price yet its COO tends to be relatively affordable. Usually comes with support and (online) training. Codes are more sanitized with better QA.

License is either by server IP or MAC ID

Make most money from training, installation, support and/or customization. Upgrade is extra.

One-time license, optional annual support

Annual license, with support and/or training

The same but with extra annual license income. Comes with free upgrade.

Unlimited Users

Per Qty. User

No source codes from vendor. Download the community edition.

Vendor source codes are protected with key but community codes are open

Vendor and community codes are open but need license key to run



Case Study : Know Your EOSS Provider Well



Know the community, provider and vendor... *or else hire a consultant*

A brief case-study of some OS CMS/KMS:

- **Strong community support with established QA**
A plus if with a renowned company support, i.e. Liferay and Alfresco
- **Flexible with many community add-on's**
Well architect EOSS allows easy add-on's, i.e. Drupal and Joomla
- **Architecture under the hood**
Liferay and Alfresco are in Java with web services but are harder and costly to maintain when compared to PHP in Joomla and Drupal.
- **Adequate with active community wiki/blog**
There is no paid-support from Joomla and Drupal, your helpline only comes from their community's strength and activities
- **Vendors who are mere resellers**
Many vendors only resell and give user-training on these EOSS but may lack the technical know-how to customize them (work under the hood) for your business

Commercial EOSS

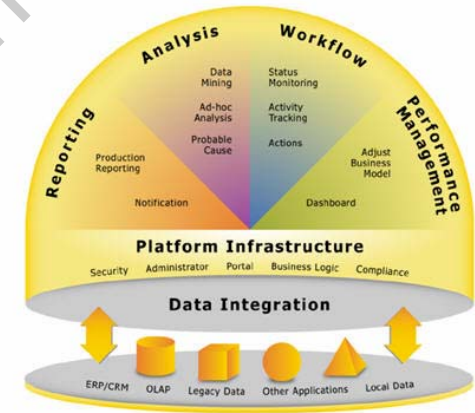
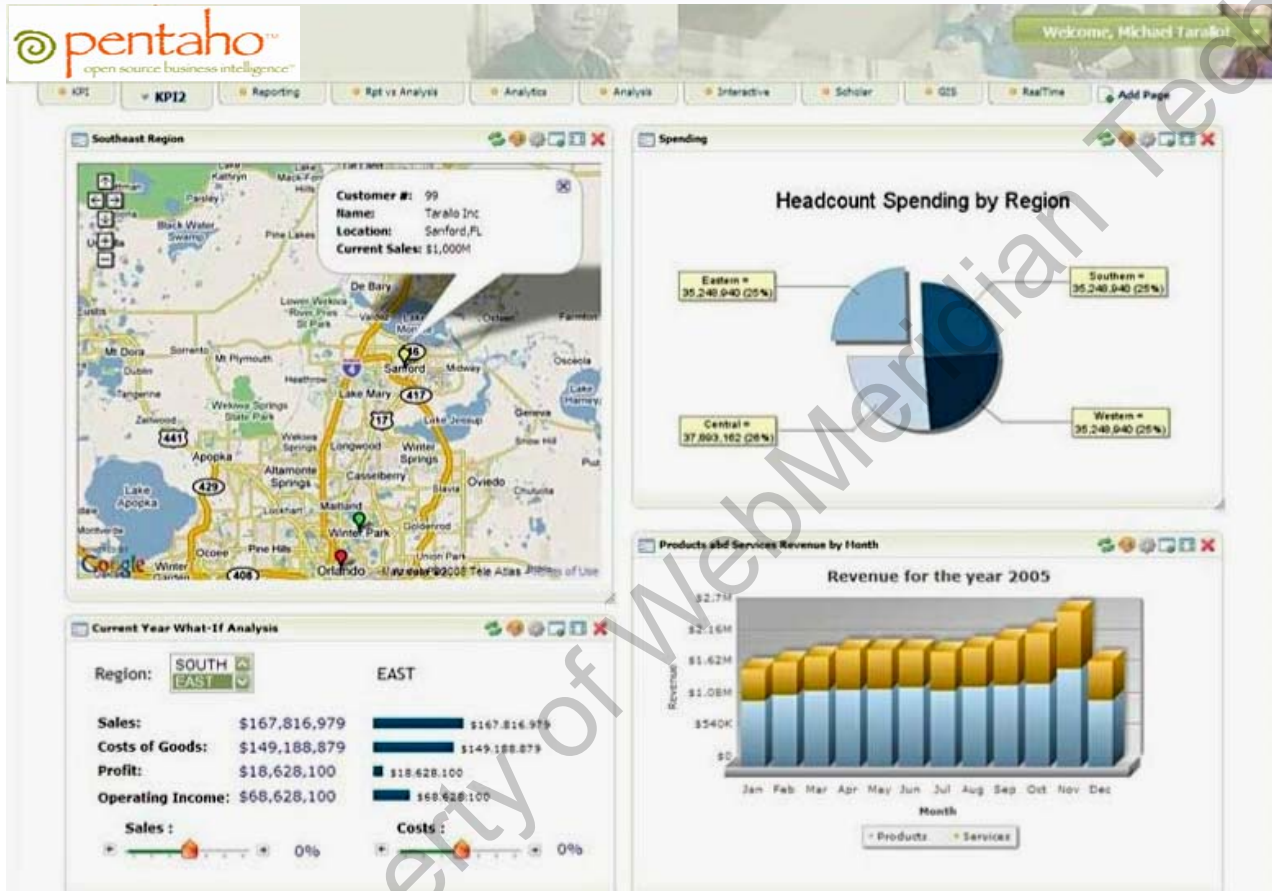


100% Community EOSS



Logical Alternative : EOSS Business Intelligence

Affordable Alternative to Business Objects, Crystal Reports...



On Web, Desktop and PDA



WebMeridian® has been promoting it in Malaysia since 2007!



EOSS/Proprietary contracts/SLA are not very different... *read carefully*

- **Community edition licenses are well defined (publicly)**
Can be MIT, Apache, GPL, etc. Seldom will you see a hybrid license.

- **Commercial edition licenses, contracts and SLAs**
Not anymore simpler or complex than proprietary counterpart

- **What source codes will you get? How?**
Refer to the previous slide

- **What kind of support and training?**
Free or pay. On-site, phone, online chat and/or community wiki and blog.

- **Indemnity concern**
Worry that some codes are proprietary in nature

- **Quality assurance**
If part of the codes are from the community, who safeguards quality?

Compiled codes are deployed.
Source codes are given in CD.

Sources codes are deployed but uses license key.

Not given.
Download on your own.



Common concerns in EOSS adoption... *do fear not*

- **Lack of formal support**

Choose EOSS with wider industry and community support; with backing from larger IT companies.

- **Velocity of (perpetual) change**

*EOSS community constant tweaking its software and offering frequent patches are of concern. EOSS OEM's are now offering planned patches with QA, i.e. Red Hat Linux, Pentaho, JasperSoft, etc. **Don't update, if it ain't broken!***

- **Lack of roadmap**

EOSS projects suffer from informality that causes anxiety. Many are now more transparent with detailed roadmaps, due to feedback from various constituents.

- **Functional gaps**

Past EOSS offers were lacking of broad functions. Today, you have MySQL cluster (cloud), Linux with 64-bit extension, Liferay with Web 2.0 and web services, etc.

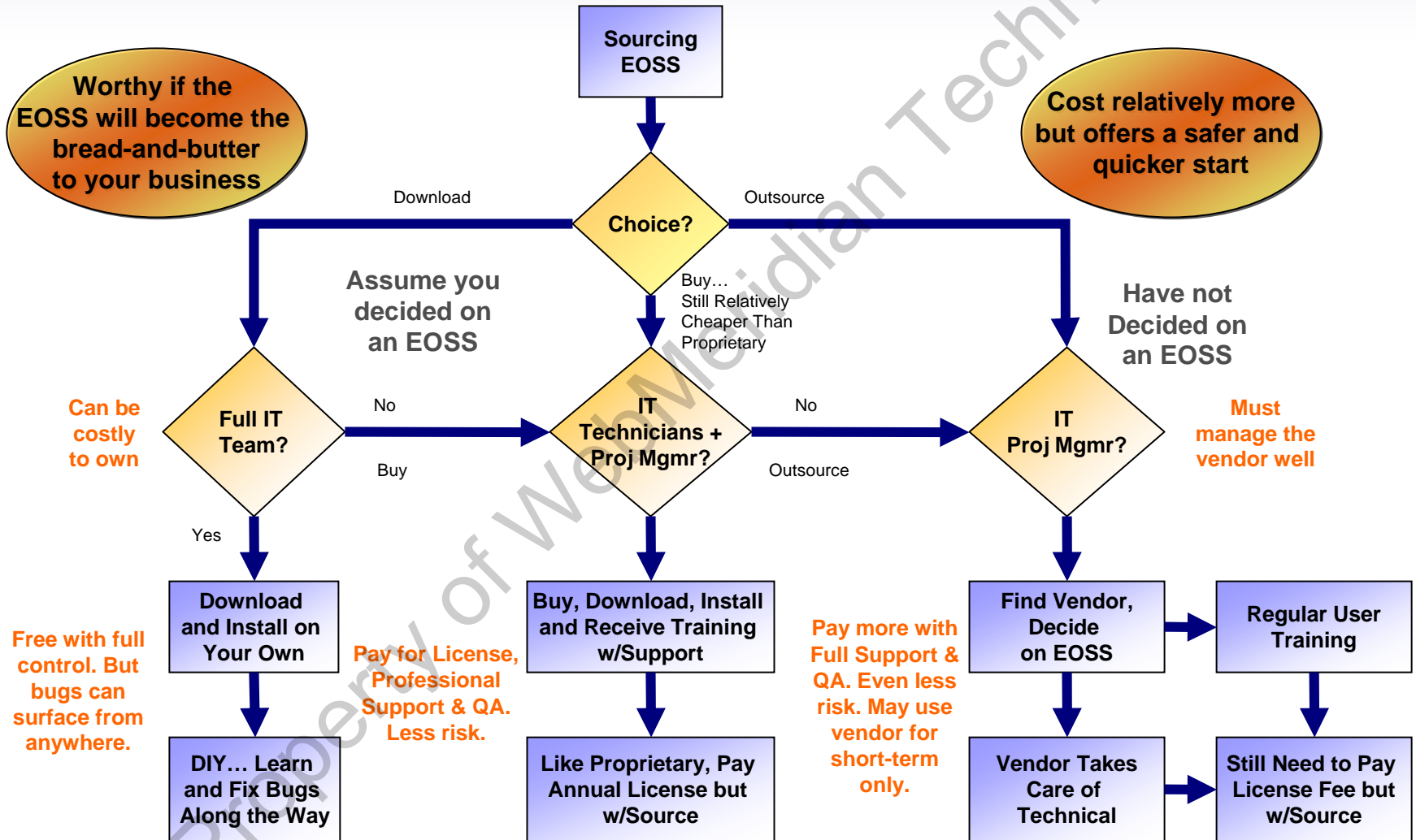
- **Licensing caveats**

Newer hybrid and flexible licensing models that combine open source and proprietary codes are catching on with dual-license philosophy.

Source: "Six barriers to open source adoption" by Dan Farber, ZDNet

Do You Download, Buy or Outsource EOSS?

How good is your IT Dept. to Support EOSS?... *think long-term*





Deciding on vendors to traverse the OSS journey... *some smart tips*

- **Good understanding of source codes and API's**
More often, organizations choose EOSS to customize to their needs. Vendors must know where to find support if issues arise.
- **Experience in matching EOSS to the business needs**
Ability to provide sound and unbiased analysis in recommending EOSS
- **Reasonable license and flexible support fees**
Lower total COO with EOSS is a blend of "honey". Negotiate for long-term (often 3 years or less in IT industry) to build a partnership or by offering intellectual property (IP) sharing from joint R&D.
- **Able to provide both IT technical and business consultation**
Often or not, separately hired business analysts and IT technicians do not speak the same language. Vendors with both resources can offer more coherent services.
- **Willing to work with your KPI**
To enjoy the fruits for implementing EOSS, one must establish EOSS-related KPI in addition to other IT-related KPI. The vendor must have the same interest to meet them.



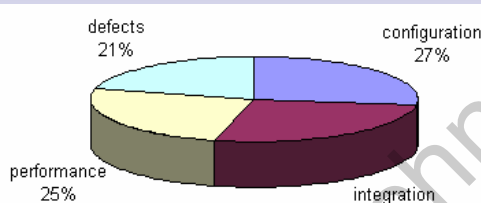
Source EOSS for measurable results... essential KPI

- **Reduce total COO (*monetary amount*)**
More importantly long-term total COO
- **Reduce vendor and license lock-in (*duration term and count*)**
Flexibility to control costs and have sovereignty without compromising IT solutions quality
- **Increase availability (*access counts and access quality*)**
Lower total COO with EOSS multi-platform support increases its availability to more users... bridges many forms of digital divide
- **Require adequate support (*unanswered vs. answered needs and duration to receive/discover support*)**
Lower COO is important and so does adequate support for EOSS
- **Increase interoperability (*count systems communicated and cost to make them happen*)**
Allow many more (particularly legacy) systems and devices to cost-effectively exchange data via EOSS open-access architecture

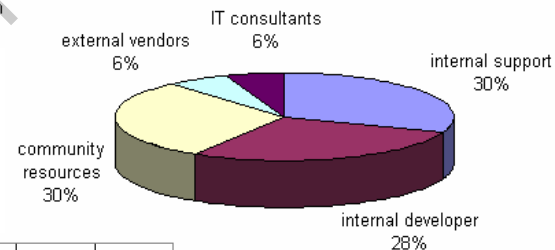
Survey Data on EOSS Users: A Small Insight



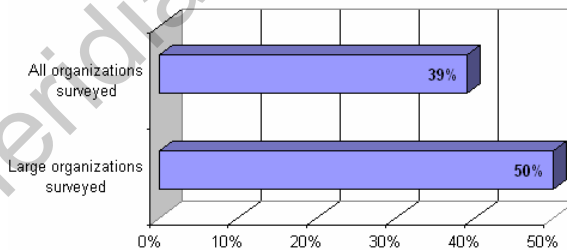
- **Most support questions required**
All of being about equal



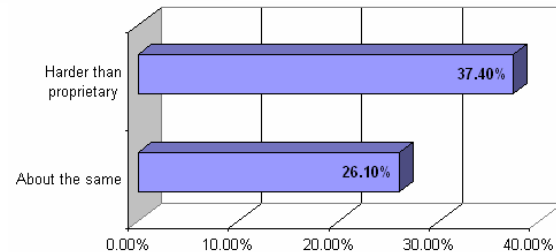
- **Types of support most often sought**
Half of the organizations surveyed have over 1000 staff



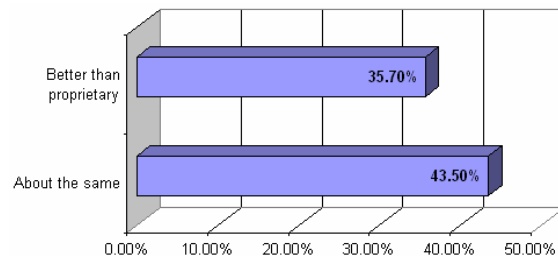
- **Importance of OSS vendor support**
Large organizations are with over 1000 staff



- **OSS vs. proprietary: Easy to find support**



- **OSS vs. proprietary: Better quality software**



Source: Survey by OpenLogic on June 2008 of 123 enterprise users of open source software.
Half of the respondents came from organizations with more than 1,000 employees



New Applications Or Total Replacement

- Give EOSS some thoughts ... for the long-run
- Develop internal EOSS procurement guidelines and use-strategies
- Try out various EOSS solutions via downloads.
- Consult with expert EOSS service providers

Existing Applications, Can't Replace Them

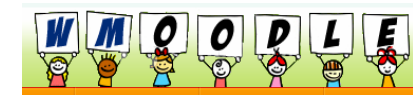
- *[Ditto all points on the left-side]*
- Build and use EOSS around your existing proprietary solutions. *Don't throw the baby out with the bath water yet.*
- Gradually, strategically reduces dependency on proprietary solutions... wherever possible
- Consult with expert EOSS R&D developers

If all done right, guaranteed you saving money!



"We Offer Web Solutions to the World"

IT Outsourcing (IT Consulting)	We develop and consult on the best-of-breed technology solutions with thorough analysis and design that are most strategic and cost-effective for clients.
Application Solutions and Development	Provide customized web application and database design and development. We also offer our enterprise web solutions for the following applications: <ul style="list-style-type: none"> • knowledge management • business intelligence • facility management • e-learning • e-commerce • community portal • mobile web
Interactive Multimedia Design	Develop rich interactive online multimedia for corporate, government and school education, and multi-player educational games.
Corporate Media Branding	Assist corporations and governments in designing and branding their web sites and digital communication media to better create consumer and public awareness.
IT Business Strategies	Work with clients to strategically procure and establish the right technology-mix for them to have the business competitive edge with improved return-on-investment (ROI) and reduced cost-of-ownership (COO). With our trained and certified personnel in Six Sigma, Knowledge Management, Balanced Scorecard and Rational Unified Process, we also provide consultation on enterprise architecture in knowledge management (KM) and center-of-excellence (COE) with respect to the effective use of IT technologies.
Other Technology Services	Providing networking infrastructure, systems security, hardware peripherals, etc. for corporations and governments.



and more...



You Download `Em, We Can Get You Started!

Thank you!



Arif Abdullah Leong
WebMeridian Technologies®
service@webmeridian.com
+6-03-2288-1829 (Malaysia)

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